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DEC 16 1996

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Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

In the Matter of )

Federal-State Joint Board on )  
Universal Service )

DOCKET FILE COPY ORIGINAL

CC Docket No. 96-45

**COMMENTS OF CONSUMERS' UTILITY COUNSEL DIVISION,  
(GEORGIA) GOVERNOR'S OFFICE OF CONSUMER AFFAIRS,  
REGARDING THE RECOMMENDED DECISION OF THE  
FEDERAL-STATE JOINT BOARD ON UNIVERSAL SERVICE**

The Consumers' Utility Counsel Division of the (Georgia) Governor's Office of Consumer Affairs ("CUC") was created by an Act of the Georgia General Assembly in 1975 in order to represent and act as a special advocate for the interests of Georgia's residential consumer and small business utility ratepayers in proceedings before state and federal administrative bodies and the courts. Official Code of Georgia Annotated ("O.C.G.A.") section 46-10-1, et seq. Although the CUC supports the broad principles of section 254 of the Telecommunications Act of 1996 ("Federal Act"), as articulated by the Federal-State Joint Board on Universal Service ("Joint Board"), CUC continues to be concerned by the all-encompassing federal regulatory purview and corresponding preemption of state regulatory authority and experimentation envisioned by the Federal Communications Commission ("FCC" or "Commission") in the rapidly developing area of telecommunications. The Commission must resist the temptation to assume that states are not capable of protecting consumers' rights or of developing competition in areas of the economy once dominated by regulated utilities. Many states, including Georgia,<sup>1</sup> have been leaders in

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<sup>1</sup> In 1995, Georgia enacted its own Telecommunications and Competition Development Act, O.C.G.A. 46-5-160 et seq. ("Georgia Act").

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enacting and implementing competition, with an understanding of and experience dealing with local conditions. Although CUC's initial reaction to the Recommended Decision of the Joint Board is one of enthusiasm and support for most of its provisions, the brief period provided by the Common Carrier Bureau for comments to that report, as well as the sheer volume of the content of the Recommended Decision, cannot help but to cause concern as to whether there are potential negative impacts on consumers, other than as expressed by CUC here.

CUC offers its comments concerning the Joint Board's recommended implementation of universal service funding regarding the topic of high-cost support.

**I. Determination of the Level of Support  
Based on a Nationwide "Benchmark" May Not Adequately or Efficiently  
Provide Support to Carriers Serving High-Cost Areas**

The Joint Board recommends that the level of support for non-rural carriers (and, eventually, for rural carriers) be based on the difference between a nationwide "benchmark" amount (which is an average revenue per line amount that must be recovered from sources other than federal universal support funds) and regional proxy models. CUC believes the Commission should consider also using regional, rather than national, "benchmark" models. Failure to do so may result in relative inequities from region to region.

If the national "benchmark" is above the average revenue per line by an eligible carrier for the services to be supported, there may be a shortfall in recovering the reasonable costs of service. This shortfall must be made up by other means, including rate increases or contributions from a state universal support fund, if one exists.

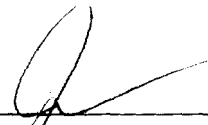
A national "benchmark" may or may not approximate the average revenues per line in a given state or region. Since the Joint Board has supported regional cost proxy models, the FCC

should strongly consider whether regional "benchmarks," determined through the cooperative efforts of state commissions and consumer advocates, and with detailed analyses of local markets and conditions, would be more appropriate.

## **II. Conclusion**

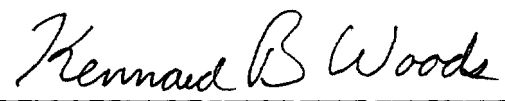
Revenues and costs should be disaggregated as much as possible in determining the level of support to high-cost areas. The FCC should work with state commissions to develop and review regional revenues "benchmarks" that could be used with the regional cost proxies.

Respectfully submitted,



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Jim Hurt  
Director



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### **Certificate of Service**

This is to certify that on the 13th day of December, 1996, an original and four(4) copies of the foregoing were served by express, overnight mail addressed to the Office of the Secretary, FCC, Room 222, 1919 M Street, N.W., Washington, D.C. 20554; that one(1) copy of the foregoing was served by express, overnight mail addressed to International Transcription Service, Room 140, 2100 M Street, N.W., Washington, D.C. 20037; and that one(1) copy of the foregoing was served by ordinary mail to each of the persons listed in appendix G of the Joint Board's Recommended Decision.

A handwritten signature in cursive script that reads "Kennard B Woods". The signature is written in black ink and is positioned above a horizontal line.

Kennard B. Woods